# Vertical Inequalities

Dr. Martin Evans
UNICEF, HQ
18<sup>th</sup> July 2012



## **Vertical Inequality**

#### What metrics matter?

- Monetary (income and consumption)
- Human Capital
  - Health and Mortality
  - Education & employment
- Subjective well-being

### What metrics capture children best?

- Monetary (and thus issues of hhld sharing and 'equivalence')
- AND non-monetary
- NEED FOR EMPIRICAL BALANCE IN METRICS



### **GLOBAL DATA**

- VERY GOOD MONETARY MEASURES
  - Milanovic & Ortiz & Cummins identify global patterns of inequality
    - PPPs (various approaches) of individual level per-capita consumption/income
    - BUT... unable to distinguish children/elderly/ women
- Inequality using education/employment and health
  - Tend to be 'national level' and not micro
  - Subjective measures
    - Deaton and World Values Survey.. but children more difficult



## **Addressing Vertical Inequality**

#### Global vs National Level

 We can't wait for national 'catch up' of GNI per capita to solve global inequality: even with very fast levels of growth in the BRICS, they and the HICs remain far apart for a long time yet.

#### National Level:

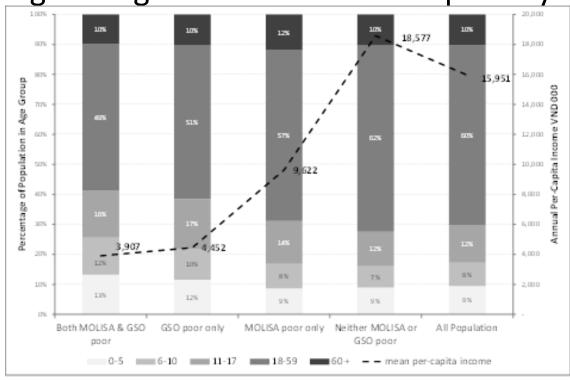
- Equity focus: addressing lower distribution (bringing poorest closer to median)
- Structural focus: fiscal and regulatory approaches to ensure 'equality of life chances' as well as redistribution
- Both within a Child Rights approach



## **Policy and Inequality**

Problem of 'Elite Capture' and poor design

 Even 'pro-poor' programmes can be poorly designed e.g Viet Nam's MOLISA 'poverty line'





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## **Child Poverty and Inequality**

- Child Poverty
  - Good numbers on multiple deprivation
  - But missing data: 'child monetary poverty'
    - needs to be re-emphasised and re-balanced
      - MDGs child poverty using \$1.25/\$2 a day
      - National Poverty Lines through country level profiling
- Inequality
  - Better child-based global numbers through PovCalNet
  - National Level anti-poverty and deprivation reduction
    - Integrated Social Protection: cash and services
      - Social Protection Strategic Framework
         <a href="http://www.unicef.org/socialprotection/framework/">http://www.unicef.org/socialprotection/framework/</a>
    - Putting children into PRS
  - MICs & BRICs: LIS-based work on
    - Children's position in monetary inequality
    - Options for social protection and fiscal redistribution

